

## Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----161451Z 110389 /40

R 161226Z APR 77

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 3935

INFO AMEMBASSY KUWAIT

AMEMBASSY DAMASCUS

AMEMBASSY JIDDA

USINT BAGHDAD

C O N F I D E N T I A L CAIRO 6377

EXDIS

E.O. 11652: GDS

TAGS: ETRD, EINV, EG, US

SUBJECT: ARAB BOYCOTT: COCA COLA

1. COKE VP, SAM AYYOUB, WHO HAS BEEN IN EGYPT PAST FEW DAYS TO DISCUSS COKE PROJECT, TELEPHONED ME THIS MORNING FROM ALEXANDRIA. AYYOUB HAD BEEN SCHEDULED TO CALL ON ME TODAY, BUT EXPLAINED THAT HE HAD BEEN DELAYED IN ALEXANDRIA. HE RETURNS TO U.S. TOMORROW.

2. ASKED ABOUT COKE PROJECT, AYYOUB EXPRESSED SATISFACTION WITH WAY THINGS ARE DEVELOPING. HE NOTED THAT THE COKE CITRUS PROJECT HAD BEEN APPROVED IN PRINCIPLE BY THE INVESTMENT AUTHORITY AND THAT THE EGYPTIANS HAD ALSO PROMISED TO ASSIST COKE IN GETTING OFF THE BOYCOTT LIST. EGYPTIANS--READ ABDUL MEGUID--HAD INSISTED, HOWEVER, THAT THE PRIMARY RESPONSIBILITY FOR HANDLING THE BOYCOTT MUST REST WITH COKE. THEY HAD SUGGESTED THAT HE WRITE A LETTER TO THE EGYPTIAN BOYCOTT OFFICE GIVING FULL DETAILS ON THE CITRUS PROJECT

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AND ASKING FOR REMOVAL FROM THE BOYCOTT LIST.

3. AYYOUB STATED HE HAD WRITTEN SUCH A LETTER AND PRESENTED IT TO THE EGYPTIAN BOYCOTT OFFICE IN ALEXANDRIA. THAT OFFICE IS HEADED BY TWO GENERALS. THEY HAD BEEN VERY CORDIAL, BUT HAD ALSO INDICATED THAT THE LETTER WAS NOT ENOUGH. THEY HAD PROPOSED THAT COKE

ALSO SUBMIT A SUPPLEMENTARY STATEMENT COVERING NOT ONLY ITS PLANS FOR EGYPT, BUT ALSO FOR ITS PLANS FOR ACTIVITIES IN OTHER ARAB COUNTRIES.

4. SUCH A STATEMENT, THEY HAD INSISTED, IS NEEDED TO PERSUADE REPRESENTATIVES OF OTHER ARAB BOYCOTT OFFICES TO AGREE TO THE REMOVAL OF COKE FROM BOYCOTT LIST. THE EGYPTIAN BOYCOTT OFFICIALS, ACCORDING TO AYYOUB, WERE ALREADY FULLY ACQUAINTED WITH THE COKE CITRUS PROJECT AND RECALLED THAT IN NOVEMBER, 1975, THEY HAD WRITTEN A MEMORANDUM FOR USE AT AN ARAB BOYCOTT CONFERENCEURGING THAT COKE BE REMOVED FRM THE BOYCOTT. THAT EFFORT HAD BEEN UNSUCCESSFUL, SINCE OTHER ARAB STATES--AND ESPECIALLY KUWAIT--HAD OPPOSED COKE'S REMOVAL. SINCE THE NEXT BOYCOTT CONFERENCE IS SCHEDULED FOR MAY OF THIS YEAR, THE EGYPTIAN BOYCOTT OFFICIALS INDICATED THEY WOULD LIKE THE SUPPLEMENTARY STATEMENT BY THAT TIME.

5. SPECIFICALLY, THEY SUGGESTED THAT THE SUPPLMENTARY STATEMENT INDICATE PAST COKE ACTIVITIES IN THE ARAB WORLD, INCLUDING AQUACHEM DESALINIZATION ACTIVITIES, AND WHAT COKE CAN DO TO HELP THE ARAB COUNTRIES ECONOMIC DEVELOPMENT. THE STATEMENT SHOULD ALSO INDICATE THE NUMBER OF LABRERS WHO WOULD BE EMPLOYED IN EGYPT AND OTHER ARAB STATES AS WELL AS PAST AND FUTURE ESTIMATED TOTAL SALES. IT SHOULD FOCUS ON HOW COKE ACTIVITIES WOULD BENEFIT EGYPT AND OTHER ARAB

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COUNTRIES.

6. THE SUPPLEMENTARY STATEMENT SHOULD BE TAKEN TO ONE OF THE ARAB CHAMBERS OF COMMERCE IN THE U.S. FOR AUTHENTICATION AND SHOULD ALSO BE AUTHENTICATED BY OENE OF THE ARAB EMBASSIES IN WASHINGTON. AFTER THAT, IT SHOULD BE SENT ASAP TO THE EGYPTIAN BOYCOTT OFFICE FOR DISTRIBUTION TO OTHER ARAB BOYCOTT OFFICES.

7. AYYOUB SAID HE HAD TOLD THE EGYPTIAN BOYCOTT OFFICE THAT HE WILL RETURN TO THE U.S. TO PREPARE SUCH A STATEMENT. HE HAD INDICATED, HOWEVER, THAT COKE CANNOT SUBMIT ANY STATEMENT THAT VIOLATES U.S. LAWS AND REGULATIONS. IN THIS CONNECTION, AYYOUB HAD ALLUDED TO CURRENT CONGRESSIONAL CONSIDERATION OF AN ANTI-BOYCOTT LEGISLATION. THE EGYPTIAN BOYCOTT OFFICIALS HAD INDICATED UNDERSTANDING AND SUGGESTED THAT THE COKE STATEMENT BE DRAFTED IN A MANNER WHICH WOULD PROVIDE THE NEEDED DATA TO ENABLE THE COKE CASE TO BE ARGUED AND

YET BE CONSISTENT WITH USG LAWS AND REGULATIONS. AYYOUB  
STATED HE HOPES TO BE BACK IN CAIRO IN A FEW WEEKS  
TIMES WITH SUCH A SUPPLEMENTARY STATEMENT.

8. I THANKED AYYOUB FOR BRINING ME UP TO DATE AND  
URGED THAT COKE ATTORNIES REVIEW ANY SUCH STATEMENT  
CAREFULLY TO BE SURE IT IS CONSISTENT WITH U.S.  
LEGISLATION. I ALSO INDICATED MY WILLINGNESS TO BE  
OF ANY HELP AND ASKED IF HE HAD SEEN MINSTATE MOHAMED  
RIAD ON THIS TRIP. AYYOUB INDICATED THAT HE HAD  
TRIED TO SEE RIAD BUT LATTER HAD AVOIDED ANY MEETING.  
NEVERTHELESS, AYYOUB SEEMED ENCOURAGED ABOUT APPARENT  
EGYPTIAN WILLINGNESS TO ARGUE COKE CASE IN UPCOMING  
BOYCOTT CONFERENCE AND BY THE FACT THAT THE PROJECT  
FINALLY SEEMS TO BE MAKING SOME HEADWAY.

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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